

October 3, 2006

Mr. Robert Howatt
Delaware Public Service Commission

Dear Mr. Howatt:

Green Delaware is substantially dissatisfied with the "Draft Report."

(1) There is little indication that comments made at the August 18th "workshop" were considered. In support of this I would note that the word "transcript" appears only once in the 72 page report. For that matter, the words "Green Delaware" appear only once. So it appears that our views were not considered by the authors of the report.

(2) We are in substantial agreement with the comments and reply comments sent in by Jeremy Firestone.

(3) The report focuses extensively in the minutiae of the RFP process. We do not doubt the importance of all this or the author's qualifications to anticipate potential problems in this area.

(4) BUT, the need to structure an RFP that favors sustainable sources and "demand side" investments is largely ignored. Or, rather, receives lip service. For example, the proposed expansion of the weighing of environmental factors from 7 to 14 percent is far less than satisfactory. Environmental factors, overall, should constitute at least fifty percent of the score.

(5) At page five, the report states, regarding *"the results of ... [Delmarva's] bid evaluation, the Company should provide a public version as well as a confidential version."* Further, it is stated that *"The integrity of the RFP process will be best served, we believe, by the Independent Consultant working together with Delmarva to reach a consensus on bid evaluation"*

Green Delaware believes that evaluation of any resulting bids should be entirely public. How else can we know whether the public interest is served? We DO NOT agree that the Commission's "Independent Consultant" should "work together" with Delmarva behind closed doors to "reach a consensus."

(6) At page 44, the report notes that Delmarva, in its draft, proposed to favor "facilities that use solid fuel." (That is, coal). The report authors consider this "reasonable." Likewise, NRG seeks in various ways to influence the RFP in ways that would favor the new coal burner it seeks to build, or is considering, at Indian River. Similarly, the Energy Office/DNREC in their comments state (foolishly) that *"... a proposal that combines coal gasification generation with wind generation that is sized at 500 MW may be [sic] have a more positive environmental impact than other potential sources of generation."*

(7) Only a rudimentary grasp of the issues facing us is needed to understand that additional coal burning should be disfavored as strongly as possible. Wind, solar (to the extent feasible), conservation and efficiency, and other sustainable resources should be favored. Policy decisions

recently taken in California reflect this. Delaware's participation in the "RGGI" reflects this. The challenge, apparently, is to align the walk with the talk.

(8) We are aware that some interests in Delaware, before doing their homework, have endorsed the building of more coal capacity in Delaware. This is unfortunate, and we hope those interests will come to their senses. However, it is the responsibility of those responsible for energy policy in Delaware to promote sound policies, not serve as echo chambers for deals-done.

Concluding, we think the staff consultant's report, and the associated redlined version of the Delmarva RFP, represent some steps in the right direction. But they are small steps, major issues are unresolved, and the matter is far from ready for consideration by the Commission.

Therefore we support the request of Firestone for rescheduling. We also suggest that another workshop be scheduled by the staff for further consideration of the issues in a receptive public format.

If these comments raise any questions please contact us.

Respectfully submitted,

Alan Muller
Director, Green Delaware